



Remarks For

The Hon. Steven C. Preston  
Administrator  
U.S. Small Business Administration

Delivered At The

**BLUE RIBBON SMALL BUSINESS AWARDS BREAKFAST**

Washington, DC

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## WELCOME

Thank you for that warm welcome and thanks to the US Chamber of Commerce for having me today. I am honored to be on the agenda with so many successful small business owners.

And I would like to especially thank the US Chamber of Commerce for hosting the Blue Ribbon Small Business Awards Breakfast because it reinforces to all the winners the importance of small business to the economy and the tremendous impact of business leaders on the community.

And all the winners,

- The Blue Ribbon awardees we honor this morning
- The seven regional winners that will be recognized later today,
- And the US Chamber of Commerce Small Business of the Year, which will be announced at dinner, are part of the long tradition celebrating the entrepreneurial spirit that is so vital in sustaining continued U.S. economic growth.

Starting a business is not easy. Entrepreneurs must be willing to take risks others won't. They must work around the clock if necessary, often acting not only as the CEO of their company, but the head of sales, head of finance, and whatever else it takes to get the job done. It's hard work.

Small business owners match every dollar of equity with \$10 of sweat equity. But that's also why they're successful where others are not.

Tom Sawner knows what it takes to start and grow a small business. His company, Educational Options, Inc. of Arlington, Virginia won last year's US Chamber of Commerce Small Business of the Year award and has a great story. At one time it was just an idea in one man's mind, and a blank piece of paper.

Today, it provides online high school courses to more than 100,000 students in nearly 1,200 schools and institutions in 43 states. The company is currently developing *GED to Diploma*, a program to assist communities with their GED and adult high school diploma programs.

Educational Options frequently offers matching funds to school systems serving underprivileged students through their not-for-profit foundation, the Educational Opportunity and Research Foundation. In the aftermath of Hurricane Katrina, the company offered free use of its products for any school system shut down by the storm.

It's a great example of a business model that provides relevant, essential services that are growing in importance in our country.

It's not surprising that the Blue Ribbon Award winners have had such a broad based success, when you consider the criteria for the award.

- What is your financial performance and business history look like? The financial bottom line is a primary reason you are in business to begin with. You won't last long if expenditures eat up all your revenues.
- Do you provide appropriate training and motivation to your staff?
- Are you involved with the community?
- Do you invest all your time in trade organizations and networking groups, or do you reach out to deserving nonprofits, schools, and charities that need your expertise? If you do, then you are also performing a Community Service.
- Are you responding to technological advances that could affect your business?
  - 58% of small businesses feel that they are staying abreast of new technology
- Last but not least, do you have a business plan or strategy for growth?

In meeting these goals the Blue Ribbon winners are models for how to run a business the right way...that serves its financial and strategic objectives

as it services its employees and the community at large. And celebrating and commending that success is important in developing role models for all those business owners fighting their way through the earlier stages of a new business.

But there is a broader reason for celebrating that success.

In 1925, Calvin Coolidge, our thirtieth president, said that "the business of America is business." For millions of Americans 82 years later, that business is small business.

America has an economy that regenerates, is flexible, and adapts to opportunity in large part because our entrepreneurial culture has taught us to dream, to see possibilities, and to act on these possibilities.

Entrepreneurialism is in our national DNA and it an underpinning of our country's greatness.

That is important for many reasons:

It creates jobs for Americans. Since August 2003, almost 8 million jobs have been created—more jobs than in all the other industrialized nations combined. Our economy has now added jobs for 44 straight months. Small businesses created two-thirds of those new jobs.

It creates economic growth. American workers are taking home more pay with those jobs. Real after-tax income per person has risen by 10 percent – \$2,900 – over the last 6 years. Small businesses represent more than half of our non-farm private GDP.

And, it drives innovation and competitiveness. Entrepreneurs drive a tremendous amount of the innovation in our country; small patenting firms produce 13 to 14 times more patents per employee than their larger competitors do.

Small business ownership also allows people to realize dreams, not only for the owners and their families, but for those they employ and those they serve.

Over the years, the SBA has helped many of our best known corporate icons get their starts. Intel, AOL, Outback Steakhouse, Apple, Amgen, Ben & Jerry's, Callaway Golf, Staples, Under Armour, NIKE, and FedEx all received help from one of SBA's programs.

Today, we help entrepreneurs in a number of ways:

-- The SBA lends or guarantees more than \$78 billion in loans and investments. Over the last six years, SBA loans have doubled, and loans to minority entrepreneurs have increased over 150 percent.

-- It helps small business procure a fair share of government contracts, a record \$80 billion in 2005.

-- Last year, SBA and its technical assistance partners counseled nearly 1.5 million entrepreneurs and its website received 26 million hits.

-- Through its Office of Advocacy, SBA helps protect small business from harmful new government regulations, and through its National Ombudsman it helps small business deal with unfair application of existing regulation.

Let's turn now to policy. It is also critical that we have thoughtful, fiscally responsible policies to unleash the power of entrepreneurial capitalism in this country.

We need to ensure that our country maintains an environment where entrepreneurship and innovation can thrive unfettered, and where small business ownership can enable economic mobility, and will continue to be the hand of opportunity to so many Americans who may not find that opportunity elsewhere. It is critical to our being competitive – to having a vibrant economy.

It may also be our country's strongest bridge to opportunity for Americans of all backgrounds, and for that reason, it should be the goal of our economic policy to keep that bridge open, expansive, and sturdy. That is foundational to who we are as a people and a nation. And, in so many ways, the entrepreneur's spirit is the essence of our nation's greatness, and their accomplishments are its reflection.

You as small business owners should expect from Washington a continuation of the sound economic policies that have fostered an environment where innovation succeeds and small businesses flourish, fuel our economy, and create more jobs.

The President has often said that the role of government is to create and sustain an environment which allows small businesses to flourish and grow, and in his State of the Union Message in January he identified a number of areas where the federal government can help entrepreneurs.

He said healthcare coverage must be affordable, accessible, and flexible, and he renewed his call that basic, private health insurance be made available and affordable for more Americans.

The President has proposed making health care premiums up to a certain level tax deductible for all Americans, whether or not those are in the form of employer compensation or paid for separately by the individual. He



has also supported Association Health plans. It would, once again, put everyone on the same playing field and give more affordable access to those Americans outside the system today.

On taxes, the President has led by cutting taxes significantly, especially on capital – that is, on investment. These cuts incentivize more saving and investment across the economy; that enhances worker productivity which translates over time to higher salaries for workers at all levels. Freeing up the dollar on the margin for investment by reducing taxes on capital is a tremendous benefit government can give small business.

Fair trade is also important - trade enables producers of goods and services to move beyond the U.S. market of 300 million people to the world market of 6.2 billion people. More than 95 percent of the world's population and two-thirds of the world's purchasing power are located outside of the United States, and more than 25 percent of our economy's growth comes from trade. Well over 200,000 small businesses are selling more than \$300 billion per year of goods and services in foreign markets, and since 2001, SBA's loans to exporters have increased 500 percent.

We want entrepreneurs to think big because they are the engine driving better jobs for Americans, greater competitiveness in the global marketplace, and transformation for our communities. Such growth

occurs in large measure because of the perseverance and productivity of our nation's entrepreneurs.

The men and women of the SBA have the honor and the responsibility of helping that engine reach its potential.

In doing so, the legacy we leave will be in the stories of every American we help empower – today, and for many years to come.

I thank the US Chamber of Commerce for sponsoring the Blue Ribbon Small Business Awards program and for helping so many to own a vital stake in the future of our country. I thank all of you award winners for the contributions you are making to your customers, your employees, your communities and our country.